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中 海 集 裝 箱 運 輸 股 份 有 限 公 司

China Shipping Container Lines Company Limited*

(A joint stock limited company incorporated in the People's Republic of China with limited liability)

(Stock Code: 2866)

Acquisition of Vessels

The Board is pleased to announce that on 8 August 2007, the Company entered into the Agreements with the Vendor to purchase eight (8) Vessels. The aggregate consideration payable for the Acquisition under the Agreements is US\$1,359,840,000 (equivalent to approximately HK\$10,633,948,800).

As the applicable percentage ratios exceed 25% but are less than 100%, the Acquisition constitutes a major transaction of the Company under Rule 14.06(3) of the Listing Rules and is therefore subject to Shareholders' approval. As no Shareholder of the Company is required to abstain from voting if the Company were to convene a general meeting for the approval of the Acquisition, pursuant to Rule 14.44 of the Listing Rules, in lieu of holding a general meeting, written Shareholders' approval is acceptable. As at the date of this announcement, China Shipping, the controlling Shareholder, controls or is entitled to exercise control over the voting rights in respect of 3,610,000,000 domestic shares of the Company representing approximately 59.87% of the entire issued share capital of the Company. China Shipping has given its written approval for the Acquisition. Accordingly, no general meeting for Shareholders' approval of the Acquisition will be held.

A circular containing, among other things, further details of the Acquisition will be despatched to the Shareholders in due course.

A. Acquisition of the Vessels under the Agreements

1. Time

After the trading hours of the Stock Exchange on 8 August 2007.

2. Parties

Purchaser: The Company

Vendor: Samsung Heavy Industries Co., Ltd.

3. General Nature of the Agreements

Pursuant to the Agreements, the Vendor has agreed to design, build, launch, equip, complete and sell, and the Company has agreed to purchase, the Vessels.

4. Consideration and Payment Terms

The aggregate consideration payable for the Acquisition under the Agreements is US\$1,359,840,000 (equivalent to approximately HK\$10,633,948,800). The said consideration was determined based on market prices as negotiated with the Vendor. The said consideration will be funded from bank financing, internal resources and/or capital raising exercises.

The consideration for each Vessel will be payable in US\$ by the Company to the Vendor in five (5) equal installments of US\$33,996,000 (equivalent to approximately HK\$265,848,720) in accordance with the following milestones as stated in each Agreement:

- a) First installment: To be remitted by telegraphic transfer within three (3) banking days after the Company's receipt from the Vendor of the respective Letter of Refundment Guarantee or before 20 August 2007, whichever comes later;
- b) Second installment: To be remitted by telegraphic transfer within five (5) banking days upon six (6) months after signing of the Agreement;
- c) Third installment: To be remitted by telegraphic transfer within five (5) banking days upon steel cutting of the Vessel;
- d) Fourth installment: To be remitted by telegraphic transfer within five (5) banking days upon keel laying of the Vessel; and
- e) Delivery installment: To be remitted by telegraphic transfer on delivery of the Vessel.

The consideration for each Vessel is subject to adjustments in the event: (i) of any delay in delivery; (ii) the actual speed is less than the guaranteed speed of the Vessel by a certain percentage; (iii) the actual fuel consumption exceeds the guaranteed fuel consumption of the Vessel by a certain percentage; (iv) the actual deadweight is less than the guaranteed deadweight of the Vessel by a certain figure; and/or (v) the actual container capacity is less than the guaranteed container capacity of the Vessel by a certain figure.

5. Delivery Time

The respective delivery date for each Vessel is on or before 31 December 2010, 30 April 2011, 31 July 2011, 30 September 2011, 30 November 2011, 31 December 2011, 31 March 2012 and 31 May 2012.

6. Guarantee/Security in Relation to the Acquisition

Under each Agreement, the Vendor guarantees the principal dimensions and characteristics (including speed, fuel consumption, deadweight and container capacity) of the relevant Vessel.

Under each Agreement, the Vendor guarantees the relevant Vessel from Defect(s), provided that: (a) such Defect(s) arise within the Guarantee Period; and (b) such Defect(s) are not the result of an accident, ordinary wear and tear, misuse, negligence or wilful neglect or omissions by the Company, its employees or agents. In the event that the normal guarantee period stipulated by manufacturers or suppliers of various components of machinery etc. in each Vessel exceeds the Guarantee Period, the benefits of such extended guarantee rights shall be made available to the Company by the Vendor without any additional cost to the Company. The Vendor shall also arrange for the paint manufacturer to guarantee defects in paint and/or application on under water parts of each Vessel for additional twelve (12) calendar months commencing from the end of the Guarantee Period.

Under each Agreement, as security for refund of installments paid by the Company including interest prior to delivery of the Vessels, the Vendor will furnish the Company with a Letter of Refundment Guarantee.

Under each Agreement, in the event of an assignment of the said Agreement by the Company, the Company shall guarantee the due and faithful performance by the assignee(s) of all of its or their liabilities and responsibilities under the said Agreement.

B. Reasons for and Benefits of the Acquisition

The purchase of the Vessels, each with an extremely large capacity, will significantly improve the economies of scale enjoyed by the Group, satisfy the development plan and operational needs of the Group, improve the Group's economic benefits and strengthen the Group's market competitiveness.

The Board (including the independent non-executive Directors) believes that the terms of the Agreements are fair and reasonable, on normal commercial terms and in the interest of the Shareholders and the Company as a whole.

C. General Information

1. Principal Business Activities

The Group is principally engaged in the operation and management of international and domestic container marine transportation.

The Vendor is principally engaged in the design, building, launch, equipping and sales of ships.

2. Implications under the Listing Rules

As the applicable percentage ratios exceed 25% but are less than 100%, the Acquisition constitutes a major transaction of the Company under Rule 14.06(3) of the Listing Rules and is therefore subject to Shareholders' approval. Pursuant to Rule 14.44 of the Listing Rules, Shareholders' approval for the Acquisition may be obtained by written Shareholders' approval in lieu of holding a general meeting if: (a) no Shareholder is required to abstain from voting if the Company were to convene a general meeting for

the approval of the Acquisition; and (b) written Shareholders' approval has been obtained from a Shareholder or a closely allied group of Shareholders who together hold more than 50% in nominal value of the securities giving the right to attend and vote at that general meeting to approve the Acquisition.

The Board confirms that, to the best of its knowledge, information and belief after having made all reasonable enquiries, the Vendor and its ultimate beneficial owner(s) are third parties independent of the Company and connected persons of the Company. Therefore, no Shareholder is required to abstain from voting if the Company were to convene a general meeting for the approval of the Acquisition. As at the date of this announcement, China Shipping, the controlling Shareholder, controls or is entitled to exercise control over the voting rights in respect of 3,610,000,000 domestic shares of the Company representing approximately 59.87% of the entire issued share capital of the Company. China Shipping has given its written approval for the Acquisition. Accordingly, no general meeting for Shareholders' approval of the Acquisition will be held.

A circular containing, among other things, further details of the Acquisition will be despatched to the Shareholders in due course.

D. Definitions

In this announcement, unless the context otherwise requires, the following terms shall have the following meanings:

“Acquisition”	the acquisition of the Vessels by the Company from the Vendor pursuant to the Agreements
“Agreement(s)”	eight (8) ship building contracts entered into after the trading hours of the Stock Exchange on 8 August 2007 between the Company and the Vendor, pursuant to each of which the Vendor has agreed to design, build, launch, equip, complete and sell, and the Company has agreed to purchase, a Vessel
“Board”	the board of Directors
“China Shipping”	China Shipping (Group) Company (中國海運(集團)總公司), a PRC state-owned enterprise, which is the controlling Shareholder, having an approximately 59.87% shareholding interest
“Company”	China Shipping Container Lines Company Limited (中海集裝箱運輸股份有限公司), a joint stock limited company established in the PRC, of which 2,420,000,000 H shares are listed on the Stock Exchange
“connected person(s)”	has the meaning ascribed to such term under the Listing Rules
“Defect(s)”	all defects, omissions, shortages and non-conformity, defective or unsuitable materials or equipment, faulty design and/or performance or poor workmanship
“Director(s)”	the director(s) of the Company

“Group”	the Company and its subsidiaries
“Guarantee Period”	a period of twelve (12) calendar months as from the date the Vessel is delivered to and accepted by the Company, subject to extension for a certain period where the Vessel is not capable of performing services for a certain period or where the Vessel is accepted with reservations
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong Special Administrative Region of the PRC
“Letter of Refundment Guarantee”	an irrevocable letter of refundment guarantee issued by certain bank(s) in favour of the Company covering the amount of all of the first, second, third and fourth installment payments by the Company under each Agreement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“percentage ratios”	has the meaning ascribed to such term under the Listing Rules
“PRC”	People’s Republic of China
“Shareholder(s)”	the shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“TEU”	twenty-foot equivalent units, a standard unit of measurement of the volume of a container with a length of 20 feet, height of 8 feet and 6 inches and width of 8 feet
“US\$”	United States Dollars, the lawful currency of the United States of America
“Vendor”	Samsung Heavy Industries Co., Ltd., a corporation incorporated and existing under the laws of the Republic of Korea
“Vessel(s)”	eight (8) ocean going single screw diesel engine driven fully cellular container vessels, each with a capacity of 13,296 TEU, to be acquired by the Company from the Vendor under the Agreements

By order of the Board of
China Shipping Container Lines Company Limited
Li Shaode
Chairman

Shanghai, the People’s Republic of China
8 August 2007

The Board as at the date of this announcement comprises of Mr. Li Shaode, Mr. Zhang Guofa, Mr. Huang Xiaowen and Mr. Zhao Hongzhou, being executive Directors, Mr. Ma Zehua, Mr. Zhang Jianhua, Mr. Wang Daxiong, Mr. Yao Zuozhi and Mr. Xu Hui, being non- executive Directors, and Mr. Hu Hanxiang, Mr. Jim Poon (also known as Pan Zhanyuan), Mr. Wang Zongxi and Mr. Shen Kangchen, being independent non-executive Directors.

The exchange rate adopted in this announcement for illustration purposes only is US\$1.00 = HK\$7.82.

- * The Company is registered as an overseas company under Part XI of the Companies Ordinance (Chapter 32 of the Laws of Hong Kong) under its Chinese name and the English name “China Shipping Container Lines Company Limited”.